



27 August 2018

ASX Announcement

Metcash Limited

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Long-term supply agreement in South Australia

Metcash Limited (ASX:MTS) today announced that it has signed a legally binding Heads of Agreement with Foodland Supermarket, the governing body for independent Foodland supermarket retailers in South Australia.

This includes the proposed form of a long-term supply agreement whereby Foodland retailers will commit to being supplied from Metcash's proposed new distribution centre in South Australia for a period of ten years. The supply agreement is conditional on Metcash entering into an agreement for lease for the new distribution centre by no later than 21 December 2018.

Consistent with Metcash's announcement on 28 May 2018, the agreement does not include Drakes Foodland supermarkets in South Australia.

Long-term supply agreements have now also been signed with Foodland multiple store owners such as the Romeo's and the Chapley's, as well as the remaining members of the Foodland Supermarket Board who are owners of Foodland supermarkets in South Australia.

Together with other existing fixed term supply agreements with Foodland and IGA supermarket retailers in South Australia, Metcash now has long-term supply agreements in place with retailers representing the majority of its Supermarket sales in that state (excluding sales to Drakes Foodland supermarkets).

Metcash and Foodland Supermarket are now progressing the execution of the 10-year supply agreement with the remaining Foodland retailers in South Australia, who are predominantly single store owners.

Ends

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